Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of Notice of Inquiry Concerning a Review of the Equal Access and Nondiscrimination Obligations Applicable to Local Exchange Carriers	**CC Docket No. 02-39**

Declaration

of

LEE L. SELWYN

on behalf of

AT&T Corp.

May 10, 2002

DECLARATION OF LEE L. SELWYN

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DECLARATION OF LEE L. SELWYN

Introduction and Summary

Lee L. Selwyn, of lawful age, declares and says as follows:

1. My name is Lee L. Selwyn; I am President of Economics and Technology, Inc. ("ETI"), Two Center Plaza, Suite 400, Boston, Massachusetts 02108. ETI is a research and consulting firm specializing in telecommunications and public utility regulation and public policy. My Statement of Qualifications is annexed hereto as Attachment 1 and is made a part hereof.

2. I have participated in proceedings before the Federal Communications Commission ("FCC" or "Commission") dating back to 1967 and have appeared as an expert witness in hundreds of state proceedings before more than forty state public utility commissions.

3. This NOI raises the possibility that pre-1996 *Act* "equal access and nondiscrimination requirements" that remain in effect pursuant to Section 251(g) should be narrowed or eliminated due to changing legal and competitive conditions that have arisen since the legislation was adopted. In this Declaration, I show that the local service market is still far from being sufficiently competitive as to warrant any diminution in pre-*Act* equal access and nondiscrimination requirements. ILECs generally and BOCs in particular still maintain overwhelming dominance of the local service market — even in states in which the BOC has been found to have nominally "satisfied" the Section 271(c)(2)(B) "competitive checklist." There is compelling evidence that post-*Act* conduct on the part of BOCs has confirmed their continued ability to leverage and exploit their dominance of the local service market to exert market power in the adjacent and *currently* competitive long distance market. Indeed, certain "discrimination" that has been permitted by the Commission — primarily with respect to "joint marketing" of BOC local and long distance services — has raised the serious possibility that BOCs could soon come to dominate and to erode competition in the long distance market as well. In reviewing the existing equal access and nondiscrimination obligations that are applicable to ILECs and BOCs, the Commission should focus upon the potential impact that BOC conduct and the continuing ILEC local market dominance are likely to have upon the *future* competitive state of the interexchange service market, and conclude that existing equal access and nondiscrimination requirements need to be *strengthened*, and certainly not reduced or eliminated.

A BOC's compliance with the Section 271(c)(2)(B) "competitive checklist," while necessary for FCC approval of the BOC's application for in-region interLATA entry, is not, and is not intended to constitute, evidence that the BOC no longer has market power with respect to local exchange services.

4. The requirement that incumbent local exchange carriers ("ILECs") provide "equal access" to, and not discriminate against or among, interexchange carriers has formed the bedrock of US telecommunications policy since the break-up of the former Bell System in 1984. The "equal access" and "nondiscrimination" requirements were included in the original January 8, 1982 draft of the *Modification of Final Judgment* consent decree settling the 1974 *U.S. v. Western Electric et al* antitrust case, and both were retained in the final *MFJ* as approved by the United States District Court following the *Tunney Act* review.[1] Details of these two overarching policy requirements were established by the Commission in its *First Report and Order* in CC Docket 78-72, the *MTS/WATS Market Structure NPRM*,[2] and were — and are to this day — maintained in effect under Section 251(g) of the *Telecommunications Act of 1996*. Indeed, *TA96* actually *expanded* the then-existing BOC equal access obligation, by expressly *requiring* that BOCs that have been "granted authority to provide interLATA services under subsection [271](d) shall provide intraLATA toll dialing parity throughout that State coincident with its exercise of that authority,"[3] and permitting

1. *United States v. American Tel. and Tel. Co.*, 552 F. Supp. 131, (D.D.C. 1982), *aff'd sub nom. Maryland v. United States*, 460 U.S. 1001 (1983).

2. *MTS and WATS Market Structure*, CC Docket No. 78-72, *Phase I Order Modified on Further Reconsideration*, 97 FCC 2nd 834 (1984).

3. 47 U.S.C. §271(e)(2)(A).

states to implement intraLATA dialing parity beginning "3 years after the date of enactment."[4] Thus, while the NOI suggests that Section 251(g) *permits* the Commission to adopt regulations superseding "the same equal access and nondiscriminatory interconnection restrictions and obligations (including receipt of compensation) that apply to such carrier on the date immediately preceding the date of enactment ... under any court order, consent decree, or regulation, order, or policy of the Commission," the *additional requirements for intraLATA equal access applicable to BOCs* reflected in provisions *outside* of Section 251(g) may not be rescinded or superseded by FCC action.

5. The equal access and nondiscrimination requirements are *responsible* for the robust competition that has emerged in the interexchange services market since the Bell System break-up. Long distance competition as we know it today would not have been possible without equal access and nondiscrimination by BOCs, and it is precisely in those segments of the switched long distance market — in which rigorous equal access and nondiscrimination requirements *have not been fully and aggressively enforced* — where one finds persistent BOC market dominance.

6. In the NOI, the Commission observes that "the local service market has become more competitive; this can be seen most readily in, for instance, New York and Texas, states where the Commission has found that the BOC has met the competitive checklist of section 271."[5]

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4. 47 U.S.C. §271(e)(2)(B).

5. *NOI*, at para. 13.

Indeed, this perception of conditions extant in the local service market — and particularly in those states in which the BOC has obtained Section 271 authority — appears to have been a central motivation for the issuance of the NOI.

7. The Commission's reliance upon a BOC's receipt of interLATA authority as indicative of actual competitive market conditions is clearly misplaced. Neither the "facts on the ground" nor the policy framework of the 1996 *Act* provide support for this leap. To be sure, there are today "no longer any dominant interexchange providers."[6] In 1995, the Commission determined that AT&T had become non-dominant,[7] and in fact AT&T's share of the US long distance market has continued to decline.[8] The Commission's decision finding AT&T non-dominant was based upon market facts and realities reflecting more than ten years of experience under the MFJ, not upon hypothetical or theoretical projections as to what might happen in the future. However, when the Commission more recently made a similar determination with respect to BOC Section 272 long distance affiliates following the BOCs' receipt of Section 271 in-region interLATA authority,[9] it reached its "non-dominant"

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6. *NOI*, at para. 11.

7. *Motion of AT&T Corp. to be Reclassified as a Non-Dominant Carrier*, Order, 11 FCC Rcd. 3271, 3293, ¶38 (1995) ("AT&T Reclassification Order").

8. The most recent FCC *Trends in Telephone Service Report* issued in August 2001 puts AT&T's residential share at 53.3% as of end of 2000, based upon presubscribed lines. AT&T share of residential toll revenues was given as 48.4%.

9. *Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area*, CC Docket No. 96-149, and *Policy and Rules Concerning the*

(continued...)

conclusion with respect to BOC long distance affiliates *before any of the BOCs had actually been granted Section 271 authority*. Thus, at the time the Commission reached its conclusion that BOCs were (or would be) non-dominant long distance carriers, those companies were not then even operating as long distance carriers. The Commission thus had *no experience* with respect to BOC conduct under "real world" conditions since, by virtue of being prohibited from offering in-region long distance services, the BOCs' had only a *de minimis* presence in the national long distance market and no presence at all in areas in which they provided local exchange service as an ILEC.

8. The overarching question before the Commission in this NOI — whether market conditions and competition generally have evolved to the point where existing "equal access" requirements may be modified or even eliminated altogether — must be premised upon the past six years of experience under the 1996 Act and market conditions likely to arise in a future post-271 world in which BOCs are engaged in the long distance business on a national scale, and not on the current, snapshot picture of competition in today's long distance market. There is ample basis for concern: In the short period of time in which Verizon and SBC have been permitted to offer interLATA services in a few states, both have achieved extraordinary market penetration. Implementation of "equal access" (i.e., 1+ dialing parity and presubscription) commenced in the second half of 1984 and was substantially completed

9. (...continued) *Interstate, Interexchange Marketplace,* CC Docket No. 96-61, *Second Report and Order in CC Docket No. 96-149 and Third Report and Order in CC Docket No. 96-61*, FCC 97-142, 12 FCC Rcd 15756 (1997).

by approximately 1986. The onset of long distance competition as it exists today can be associated with the implementation of equal access. The FCC began tracking IXC market shares as of December 1987, i.e., as of the end of the first year following substantial completion of equal access implementation. FCC data indicate that as of the end of 1987 OCCs held 16.7%; extrapolating back to the end of 1986, that share was likely in the range of about 13%. After five years (i.e., by December 1991) the OCC share had increased to 25%.[10] Thus, it took all of the OCCs *combined* some five years following the completion of equal access to collectively increase their market share by all of 12%. Verizon accomplished that feat in New York in less than eight months![11] See Figure 1 below.

9. As it has turned out, BOCs, once having obtained their Section 271 authority, have expeditiously and aggressively moved to exploit their legacy monopoly relationships with captive local service customers — particularly in the residential segment — and have as a result been able to achieve unprecedented expansion of their long distance market shares in all of the "271" jurisdictions. The BOCs' ability to rapidly capture long distance market

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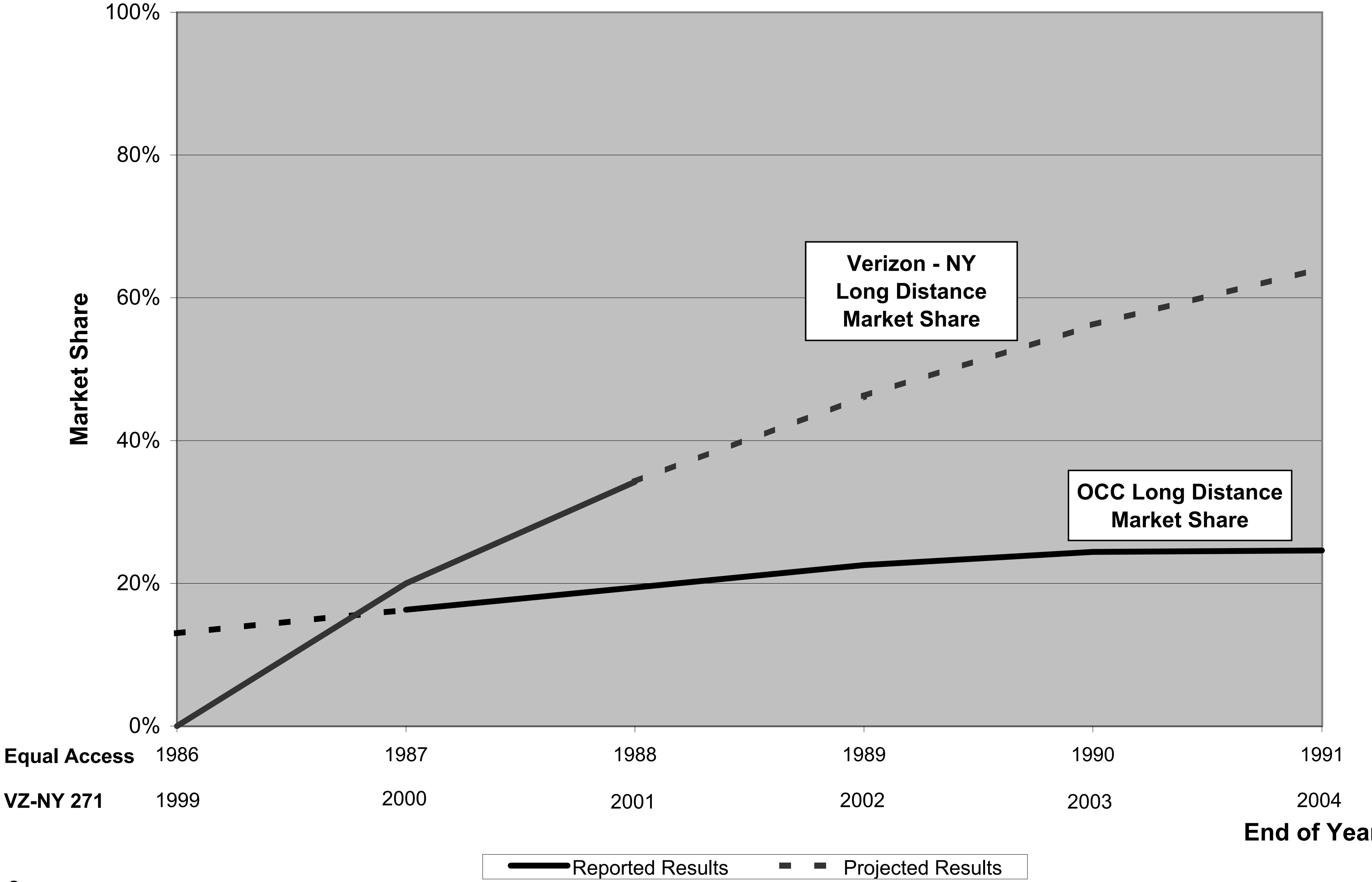
10. FCC Wireline Competition Bureau, Industry Analysis Division, *Long Distance Market Shares, Fourth Quarter 1998,* March, 1999, Table 2.2.

11. Verizon Long Distance reported a New York residential market share of 20% after approximately 12 months following its receipt of Section 271 authority. Verizon's New York long distance market penetration continued to grow. After 21 months of providing long distance service in New York, Verizon reported a New York long distance market share of 31.7%, and at the end of 2001, after two full years of 271 authority, Verizon reported that it had acquired some 2.3-million customers in New York, indicating a market share of approximately 34.2%. By extrapolation, Verizon likely crossed the 12% level sometime during the eighth month of 2000.

Figure 1

"Joint Marketing" allows BOCs to amass Long Distance market share far more rapidly than OCCs were able to accomplish following Equal Access



Sources:
Verizon Press Release, *Verizon Communications Reports Solid 3Q Earnings and Provides Outlook for Remainder of 2001,* 30 October 2001
Verizon Press Release, *Verizon Communications Posts Strong Results for Fourth Quarter and 2000,* 01 February 2001
FCC Wireline Competition Bureau, Industry Analysis Division, *Long Distance Market Shares -- Fourth Quarter 1998,* March 1999

share is a direct consequence of their persistence as dominant *local* exchange carriers, a condition that characterized the pre- and immediate post-MFJ time frame and that persists to the present day, *even in states where the BOC has been allowed to offer long distance service*. Hence, the *condition* that led to the break-up of the former Bell System and the adoption of the MFJ's interLATA line-of-business restriction — the ability of the BOCs to discriminate among interexchange carriers — has not fundamentally changed. Indeed, there is serious concern that, once permitted to *reenter* the interLATA long distance market, the BOCs may come to dominate and ultimately to remonopolize that market much as they did prior to the MFJ.

10. That BOC marketing plans with respect to long distance service are intimately linked to their legacy local service customer base is further confirmed by the fact that, in general, *the BOCs have not elected to embark upon an out-of-region long distance entry strategy*, despite having been expressly allowed to do so at Section 271(b)(2) of the 1996 Act.[12] Moreover, where BOCs are *currently* providing in-region long distance service in "section 271" jurisdictions, those offerings are frequently restricted solely to *BOC local service*

12. The exception here, of course, is Qwest, which was an interexchange carrier long before its acquisition in 2000 of US West, at which point Qwest became a BOC as defined at 47 U.S.C. 153(35). It is noteworthy that Qwest the IXC, as a condition of the merger, was willing to accept the requirement that it give up its right to offer interLATA services in any of the fourteen US West jurisdictions until it had attained Section 271 authorization therein, underscoring the enormous value and unique opportunities that Qwest attributed to the BOC/IXC affiliation and joint marketing capability. For the most part, the only "out-of-region" long distance services being offered by the other RBOCs are limited to "calling card" services that are marketed primarily to those RBOCs' *in-region* local service customers.

customers. For example, SBC's policy in Texas, Oklahoma and Kansas is to limit the availability of SBC long distance service to SWBT local service customers only.[13] Thus, not only has SBC maintained its policy of not pursuing any general long distance entry in states outside of its region, it apparently does not even offer long distance service either to CLEC customers or to Independent ILEC customers *within the states in which SBC has received Section 271 authority*. Such conduct compels the inescapable conclusion that not only do BOCs *intend* to make unfair use of subscriber information and unfair use of customer contacts generated by the local exchange telephone company's provision of local exchange service in marketing long distance services in-region, their opportunity to engage in these practices appears to be the principal if not the sole driver of the BOCs' interest in the long distance business in the first place.

11. Ironically, while this NOI is intended specifically to "examine the continued importance of the equal access and nondiscrimination obligations of section 251(g),"[14] the BOCs' success in rapidly capturing long distance customers following section 271 approval is a direct consequence of Commission actions whose effect has already been to dramatically pare down the "equal access" and "nondiscrimination" requirements applicable to ILECs generally and to BOCs in particular. The FCC has issued several rulings whose effect is to afford BOCs, once having been granted authority pursuant to Section 271(c) to offer in-region

13. See Attachment 2 to this Declaration. This is a print-out of the response I received from the SBC website when I attempted to order SBC long distance service using a hypothetical telephone number in a Texas exchange (Irving) not served by SWBT.

14. NOI, at para. 1.

interLATA long distance service in any state, the ability and opportunity to market and to sell their long distance service to the BOC's *local* service customers *at the time that the local service customer initiates an order for local exchange service*,[15] effectively *preempting* competing long distance service providers from addressing that customer until *after* his or her initial selection of the BOC as the Presubscribed Interexchange Carrier ("PIC").

12. Section 271(e)(1) provides that "[u]ntil a Bell operating company is authorized pursuant to subsection (d) to provide interLATA services in an in-region State, *or until 36 months have passed since the date of enactment of the Telecommunications Act of 1996, whichever is earlier*, a telecommunications carrier that serves greater than 5 percent of the Nation's presubscribed access lines may not jointly market in such State telephone exchange service obtained from such company pursuant to section 251(c)(4) with interLATA services offered by that telecommunications carrier." (Emphasis supplied.) The purpose of this provision was to limit the large IXCs' ability to offer "one stop shopping" of local and long distance service for up to three years or sooner if the BOC in a given state had obtained Section 271 interLATA authority, and thereby to protect the BOCs from IXC "one-stop

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15. *In the Matter of the Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, CC Docket No. 99-295, *Memorandum Opinion and Order*, Rel. December 22, 1999 ("*BA-NY Section 271 Order*"); *In the Matter of Application of BellSouth Corporation, et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region, InterLATA Services in South Carolina*, CC Docket No. 97-208, *Memorandum Opinion and Order*, Rel. December 24, 1997, 13 FCC Rcd 1 ("*BellSouth South Carolina Order*")" *In the Matter of AT&T Corp., Complainant, v. New York Telephone Company, D/B/A Bell Atlantic-New York, Defendant*, Memorandum Opinion and Order, File No. EB-00-MD-011, FCC 00-326, released October 6, 2000 ("*AT&T/BA-NY Order*").

shopping" type competition for up to three years. At the time of enactment in February 1996, there was a general expectation, both in Congress and in the telecommunications industry generally, that the new law would rapidly open local markets to competition and that such competition would develop quickly. The flood of new start-ups and the hundreds of billions of dollars of investment by non-ILEC firms certainly confirm this view. Congress clearly anticipated that the BOCs would fully and rapidly comply with Sections 251/252 and would quickly (i.e., within that three-year "protection" window) satisfy the Section 271(c)(2)(B) checklist, allowing them into the in-region interLATA long distance market *well before the three-year sunset date for the IXC joint marketing prohibition*.

13. In hindsight, of course, the three-year time frame contemplated by Section 271(e)(1) did not materialize, inasmuch as *not a single Bell Operating Company had complied with the Section 271(c)(2)(B) competitive checklist within the 36 months following enactment of the statute during which the large IXC joint marketing prohibition remained in effect*.

14. Had significant competition for basic local exchange telephone service actually materialized, consumers would now have a meaningful choice of local exchange service provider and, as such, customers would not be confronted with the condition that they either must or because of habit will continue to call the BOC first when they want to order or inquire about their local service, add new service, order new features, change the identity of the party responsible for the line, change their directory listing, or request a change in long distance carriers. If the local service market were competitive, customers could and would

evaluate complete packages of local and long distance, basic and optional, voice and Internet access, services from a number of competing suppliers and would not be predisposed to call the incumbent BOC first. Under those circumstances, entrants would be routinely engaging in joint marketing of local and long distance service, and ILEC opportunities to do the same would be reasonable and appropriate.

15. This is certainly the case today with respect to wireless services. According to the FCC's *Sixth Report* on wireless service competition released July 17, 2001,[16] the wireless market is split among seven or eight major national players, no one of which controls more than 25% of the market.[17] Each of the major CMRS providers have bundled their basic wireless and long distance calling into a uniform pricing structure, and indeed tout their "free long distance" offer as a means for attracting customers to their basic wireless service. The wireline local exchange service market is not even remotely close to this level of competition. Even in New York, where the greatest CLEC successes are to be found, the most recent New York PSC report on local competition in New York State indicates that Verizon still controls

16. *Annual Report and Analysis of Competitive Conditions With Respect to Commercial Mobile Services,* FCC 01-192, Released July 17, 2001.

17. *Id.*, at Appendix C, Table 3, p. C-4. Verizon Wireless is the largest CMRS provider with about 25% of all US wireless phones. Significantly, prior to the mergers that took place in the 1999-2000 time frame (Bell Atlantic/GTE, SBC/BellSouth to form Cingular), the largest national player, SBC, had only about a 10% share.

in excess of 79% of the basic residential market in its service area;[18] nationally, ILECs control closer to 94.5% of the residential/small business local service market in the areas where they operate.[19]

16. Local competition clearly has not developed as expected. Most customers do not have a real choice as to their local carrier, and customers overwhelmingly call the incumbent LEC first.[20] Most of these callers are likely not contacting the BOC for the purpose of ordering — or even inquiring about — the BOC's long distance services where available. Most are calling to order new or additional *local* service, to change their existing service, report a service problem, inquire about a billing issue, order optional features, to move their service to a new location, or to obtain information about new local services that might become available, such as ADSL. Each of these *in-bound* contacts provides the BOC with an *opportunity* to *sell* long distance service. And although initiated by the customer for a

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18. New York Public Service Commission, *Analysis of Local Exchange Service Competition in New York State as of December 31, 2000*. Of the roughly 21% of the local market in Verizon New York territory that CLECs currently serve, roughly 19% is via resale of Verizon bundled services, and 49% is via UNE-Ps obtained from Verizon. Verizon is thus the underlying service provider for roughly 93% (i.e., 79% retail + 68% of 21% wholesale) of the customers in its New York service territory.

19. FCC News Release, *Federal Communications Commission Releases Data on Local Telephone Competition*, February 27, 2002.

20. Indeed, a *Mover's Guide* distributed by the United States Postal Service to residential customers when they file a Change of Address notice advises them to "call your local phone company a month before you move" and then proceeds to list specifically the operating areas and phone numbers for BellSouth, Qwest and Verizon. See Attachment 3.

different purpose, each of these in-bound calls is, in the end, initiated by the caller with the intention of dealing in some manner with telephone service issues.

17. Where a customer is not presently a BOC local service subscriber (which is the case when, for example, a customer initiates a call to a BOC to order new local telephone service for his or her home or business), the FCC now permits BOCs (after having received interLATA authority) to expressly "recommend" the BOC affiliate's long distance service as long as the BOC service representative also and "contemporaneously" offers to read the customer a list of available non-BOC long distance carriers whose services are also available in the customer's area.[21] However, where the customer is *already* a BOC local service subscriber and contacts the BOC to order an additional access line, the FCC now permits the BOC to specifically offer and sell its long distance service to that customer with respect to that access line *without having to also offer to read the list of other available long distance service providers*.[22] The ability of a BOC to market long distance services to a customer seeking an additional line has become increasingly important as the number of second line households has increased significantly in recent years. Indeed, data compiled by the FCC indicate that 28.9% of American households have at least two residential access lines.[23] It is likely that a customer with an additional line would ordinarily select the same long distance

21. *BellSouth South Carolina Section 271 Order*

22. *AT&T/BA-NY Order*, at para. 6.

23. FCC Common Carrier Bureau, Industry Analysis Division, *Trends in Telephone Service*, August 2001, Table 8.4.

carrier for both the primary line and the additional line, unless of course that choice is not offered to the customer at the time that the second access line is being ordered from the BOC.

18. There are thus a number of reasons why a customer might initiate a contact with a LEC. Data provided in the Minnesota Public Utilities Commission's consideration of Qwest Corporation's *Alternative Form of Regulation Service Quality Plan* indicates that, in September 2001, Qwest in Minnesota received 290,953 calls regarding billing and collection, and 183,732 calls ordering installation (of these, 20,350 calls were new connect orders, for which a customer would need to choose a PIC).[24] Thus, Qwest in Minnesota has the ability to address *roughly 25%* of its less-than-2-million residential customers each month, during calls *initiated by the customers themselves* and at a time when they are already thinking about their telephone service.

19. Indeed, at least with respect to these types of sales at the time of the initial local service contact, the BOC need spend little if any resources actually advertising or otherwise marketing its long distance services. The inbound caller has already made the contact with "the phone company" for basic telephone service and, unless that customer is a student of telecommunications industrial organization and regulation, there is a strong likelihood that the

24. "Qwest Quarterly Service Settlement Report," a monthly report regarding Minnesota customers, as required by the Commission's *Order* in *Qwest Corporation's Alternative Form of Regulation (AFOR) Service Quality Plan*, Docket No. P-421/AR-97-154, filed November 15, 2001.

customer will simply accept the BOC service representative's "recommendation" as the only and obvious choice.

20. The FCC thus permits BOCs to afford their long distance affiliate preferential treatment vis-a-vis non-affiliated IXCs during telemarketing contacts *initiated by customers* made for the purposes of ordering *local* telephone service or engaging in some other local service transaction. And (with the exception of orders for additional access lines) the Commission has determined "that a BOC, during an inbound telephone call, should be allowed to recommend its own long distance affiliate, as long as it *contemporaneously* states that other carriers also provide long distance service and offers to read a list of all available interexchange carriers in random order."[25]

The BOCs' extraordinary success in exploiting their "joint marketing" authority to sell long distance service to captive local service customers underscores the need to maintain and to strengthen equal access and nondiscrimination requirements so as to minimize the potential for the BOCs ultimately to remonopolize the long distance market.

21. As discussed above, in a number of rulings relating to Section 271 generally and addressing specific BOC Section 271 obligations, the FCC has narrowed the scope of the "nondiscrimination" requirements applicable to BOCs and their relationships with IXCs. Whereas prior to their entry into the interLATA long distance market BOCs are required, during in-bound contacts initiated by customers for the purpose of ordering new *local* service,

25. *BellSouth South Carolina Section 271 Order*, 13 FCC Rcd 1, 670-672, para. 237, emphasis supplied, footnotes omitted.

to address the selection of a presubscribed interexchange carrier ("PIC") on a competitively-neutral basis, including the requirement to offer to read a list of available carriers to the customer in random order, once having attained Section 271 authority the BOC is now permitted to "recommend" its own affiliate's long distance service *prior to discussing or offering to read the names of non-affiliated IXCs with the customer*. And where the customer already has an established *local service* relationship with the BOC — *even if that relationship had been established prior to the BOC's satisfaction of the Section 271(c)(2)(B) "checklist" that the NOI now suggests was the point at which the market is "opened to competition"* — the BOC is not even required to mention the availability of other-than-BOC-affiliate long distance carriers when the customer inquires regarding a second line.[26] This erosion of the "nondiscrimination" requirement has enabled the BOCs to leverage and exploit their long-standing dominance of the *local* market to acquire long distance customers rapidly and at a cost that is orders-of-magnitude lower than what a non-affiliated IXC would be required to expend.

22. It would be difficult for anyone to seriously contend that a BOC's ability to identify *and recommend* its own affiliate's long distance service does not afford it a substantial advantage over its long distance rivals in being the first to offer and to sign up a new local service customer for long distance service. And the practical effect of the physical impossibility of simultaneously making the BOC affiliate "recommendation" while "contemporaneously" reading the full list of available IXCs, together with the BOC's right to make its

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26. *AT&T/BA-NY Order*.

"recommendation" *prior to identifying any alternative long distance providers*, affords it an enormous marketing advantage in selling long distance services.

23. This preemptive use of the "inbound channel" by both Verizon and SBC to "sell" their long distance service to *new* local service customers has been the principal explanation for their extraordinary success in acquiring customers in the first two years in which they were permitted into the long distance business. Verizon reported that as of the end of 2001, only two years after it began offering long distance service in New York, its long distance affiliate Verizon Long Distance had captured some 2.3-million residential customers in New York,[27] indicating a market share of approximately 34.2% of the residential subscribers in Verizon New York's service areas. SBC reported that through the third quarter of 2001, *less than nine months* following its Section 271 entry in Texas, the Company had signed up 21% of its 10-million Texas access lines for SBC long distance.[28] Elsewhere, ten months after receiving 271 authority in Massachusetts, Verizon reported a long distance market share of 17.9%.[29]

24. The BOCs' ability to use their joint marketing authority to exercise market power in the long distance market *arises directly from their near-monopoly position in the local*

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27. Verizon Press Release, "Verizon Communications Reports Solid Results for Fourth Quarter, Provides Outlook for 2002," January 31, 2002.

28. *SBC Investor Briefing*, April 23, 2001, at 7.

29. Verizon Press Release, "Verizon Communications Reports Solid 3Q Earnings and Provides Outlook for Remainder of 2001," October 30, 2001.

market. Experiences in both New York and Texas confirm the extraordinary marketing advantage, *available solely to BOCs*, stemming from their use of this "inbound channel" to "sell" their affiliate's long distance service to *local service* customers. This advantage has not been overlooked by Wall Street. As a February 8, 2001 Credit Suisse First Boston ("CSFB") report commented:

> We've been watching this industry for almost 20 years and we have never seen consumer share gained at the rate of VZ in NY and SBC in TX (the former 20% share in 12 mos and the latter 18% share in 6 months).[30]

CSFB makes the point profoundly clear in its comparison of (pre-merger) GTE's approach to selling long distance services through a separate CLEC affiliate vs. Verizon's and SBC's ability to offer long distance services directly to their ILEC customers:

> In stark contrast to Verizon's huge and quick 20% consumer LD share gains in NY State, LD subscribership was flat in the GTE franchise areas in '00 despite GTE's benefitting from similar pre-established branding and billing relationships. The difference is that GTE has not leveraged the inbound channel and also had been running its LD effort through its "CLEC", in effect forcing customers to switch to the GTE CLEC both their local service from GTE's ILEC and their LD service from another LD customer. Not very successful if you ask us and certainly worthy of change given the empirical evidence that VZ's and SBC's use of the inbound channel and separate LD sub (but not bundled with local) have been extraordinarily successful.[31]

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30. "VZ: Analyst Mtg Provides Comprehensive '01 Outlook," Credit Suisse First Boston, 09:47am EST, 8-Feb-01 ("*CSFB Report*").

31. *Id*.

25. As the CSFB report observes, this preemptive use of the "inbound channel" by both Verizon and SBC to "sell" their long distance service to *new* local service customers has been the principal explanation for their extraordinary success in acquiring customers in the first year in which they have been permitted into the long distance business. Indeed, SBC has apparently been sufficiently satisfied with its market performance that shortly after it began offering interLATA services in Texas, it elected to *increase* its interstate long distance rates in Texas[32] and to apply those same or in some cases even higher rates in the other states in which it subsequently obtained Section 271 authority.[33]

Conclusion

26. There is a substantial risk that BOC entry into the in-region long distance market, when coupled with their overwhelming and as-yet unchallenged dominance of the *local* service market, will permit the BOCs to extend their local monopoly into the adjacent long distance market and ultimately to remonopolize that market as well. Unless the Commission acts quickly to maintain and to *expand* ILEC equal access obligations and prohibitions against discrimination to address the BOC joint marketing advantage, the result will inevitably be less competition *in both the local and long distance markets* and higher local and long distance prices for consumers.

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32. "SW Bell raises interstate rate; current subscribers unaffected; PUC approval not needed," *Ft. Worth Star-Telegram*, February 2, 2001.

33. www.sbc.com/products_services/0,5931,27,00.html (accessed 5/9/02).

The foregoing statements are true and correct to the best of my knowledge, information and belief.

LEE L. SELWYN

Attachment 1

Statement of Qualifications

DR. LEE L. SELWYN

Dr. Lee L. Selwyn has been actively involved in the telecommunications field for more than twenty-five years, and is an internationally recognized authority on telecommunications regulation, economics and public policy. Dr. Selwyn founded the firm of Economics and Technology, Inc. in 1972, and has served as its President since that date. He received his Ph.D. degree from the Alfred P. Sloan School of Management at the Massachusetts Institute of Technology. He also holds a Master of Science degree in Industrial Management from MIT and a Bachelor of Arts degree with honors in Economics from Queens College of the City University of New York.

Dr. Selwyn has testified as an expert on rate design, service cost analysis, form of regulation, and other telecommunications policy issues in telecommunications regulatory proceedings before some forty state commissions, the Federal Communications Commission and the Canadian Radio-television and Telecommunications Commission, among others. He has appeared as a witness on behalf of commercial organizations, non-profit institutions, as well as local, state and federal government authorities responsible for telecommunications regulation and consumer advocacy.

He has served or is now serving as a consultant to numerous state utilities commissions including those in Arizona, Minnesota, Kansas, Kentucky, the District of Columbia, Connecticut, California, Delaware, Maine, Massachusetts, New Hampshire, Vermont, New Mexico, Wisconsin and Washington State, the Office of Telecommunications Policy (Executive Office of the President), the National Telecommunications and Information Administration, the Federal Communications Commission, the Canadian Radio-television and Telecommunications Commission, the United Kingdom Office of Telecommunications, and the Secretaria de Comunicaciones y Transportes of the Republic of Mexico. He has also served as an advisor on telecommunications regulatory matters to the International Communications Association and the Ad Hoc Telecommunications Users Committee, as well as to a number of major corporate telecommunications users, information services providers, paging and cellular carriers, and specialized access services carriers.

Dr. Selwyn has presented testimony as an invited witness before the U.S. House of Representatives Subcommittee on Telecommunications, Consumer Protection and Finance and before the U.S. Senate Judiciary Committee, on subjects dealing with restructuring and deregulation of portions of the telecommunications industry.

In 1970, he was awarded a Post-Doctoral Research Grant in Public Utility Economics under a program sponsored by the American Telephone and Telegraph Company, to conduct research on the economic effects of telephone rate structures upon the computer time sharing industry. This work was conducted at Harvard University's Program on Technology and Society, where he was appointed as a Research Associate. Dr. Selwyn was also a member of the faculty at the College of Business Administration at Boston University from 1968 until 1973, where he taught courses in economics, finance and management information systems.

Dr. Selwyn has published numerous papers and articles in professional and trade journals on the subject of telecommunications service regulation, cost methodology, rate design and pricing policy. These have included:

"Taxes, Corporate Financial Policy and Return to Investors"
National Tax Journal, Vol. XX, No.4, December 1967.

"Pricing Telephone Terminal Equipment Under Competition"
Public Utilities Fortnightly, December 8, 1977.

"Deregulation, Competition, and Regulatory Responsibility in the Telecommunications Industry"
Presented at the 1979 Rate Symposium on Problems of Regulated Industries - Sponsored by: The American University, Foster Associates, Inc., Missouri Public Service Commission, University of Missouri-Columbia, Kansas City, MO, February 11 - 14, 1979.

"Sifting Out the Economic Costs of Terminal Equipment Services"
Telephone Engineer and Management, October 15, 1979.

"Usage-Sensitive Pricing" (with G. F. Borton)
(a three part series)
Telephony, January 7, 28, February 11, 1980.

"Perspectives on Usage-Sensitive Pricing"
Public Utilities Fortnightly, May 7, 1981.

"Diversification, Deregulation, and Increased Uncertainty in the Public Utility Industries"
Comments Presented at the Thirteenth Annual Conference of the Institute of Public Utilities, Williamsburg, VA - December 14 - 16, 1981.

"Local Telephone Pricing: Is There a Better Way?; The Costs of LMS Exceed its Benefits: a Report on Recent U.S. Experience."
Proceedings of a conference held at Montreal, Quebec - Sponsored by Canadian Radio-Television and Telecommunications Commission and The Centre for the Study of Regulated Industries, McGill University, May 2 - 4, 1984.

"Long-Run Regulation of AT&T: A Key Element of A Competitive Telecommunications Policy"
Telematics, August 1984.

"Is Equal Access an Adequate Justification for Removing Restrictions on BOC Diversification?"
Presented at the Institute of Public Utilities Eighteenth Annual Conference, Williamsburg, VA - December 8 - 10, 1986.

"Market Power and Competition Under an Equal Access Environment"
Presented at the Sixteenth Annual Conference, "Impact of Deregulation and Market Forces on Public Utilities: The Future Role of Regulation"
Institute of Public Utilities, Michigan State University, Williamsburg, VA - December 3 - 5, 1987.

"Contestable Markets: Theory vs. Fact"
Presented at the Conference on Current Issues in Telephone Regulations: Dominance and Cost Allocation in Interexchange Markets - Center for Legal and Regulatory Studies Department of Management Science and Information Systems - Graduate School of Business, University of Texas at Austin, October 5, 1987.

"The Sources and Exercise of Market Power in the Market for Interexchange Telecommunications Services"
Presented at the Nineteenth Annual Conference - "Alternatives to Traditional Regulation: Options for Reform" - Institute of Public Utilities, Michigan State University, Williamsburg, VA, December, 1987.

"Assessing Market Power and Competition in The Telecommunications Industry: Toward an Empirical Foundation for Regulatory Reform"
Federal Communications Law Journal, Vol. 40 Num. 2, April 1988.

"A Perspective on Price Caps as a Substitute for Traditional Revenue Requirements Regulation"
Presented at the Twentieth Annual Conference - "New Regulatory Concepts, Issues and Controversies" - Institute of Public Utilities, Michigan State University, Williamsburg, VA, December, 1988.

"The Sustainability of Competition in Light of New Technologies" (with D. N. Townsend and P. D. Kravtin)
Presented at the Twentieth Annual Conference - Institute of Public Utilities Michigan State University, Williamsburg, VA, December, 1988.

"Adapting Telecom Regulation to Industry Change: Promoting Development Without Compromising Ratepayer Protection" (with S. C. Lundquist) *IEEE Communications Magazine*, January, 1989.

"The Role of Cost Based Pricing of Telecommunications Services in the Age of Technology and Competition" *Presented at National Regulatory Research Institute Conference*, Seattle, July 20, 1990.

"A Public Good/Private Good Framework for Identifying POTS Objectives for the Public Switched Network" (with Patricia D. Kravtin and Paul S. Keller) Columbus, Ohio: *National Regulatory Research Institute*, September 1991.

"Telecommunications Regulation and Infrastructure Development: Alternative Models for the Public/Private Partnership" *Prepared for the Economic Symposium of the International Telecommunications Union Europe Telecom '92 Conference, Budapest, Hungary,* October 15, 1992.

"Efficient Infrastructure Development and the Local Telephone Company's Role in Competitive Industry Environment" *Presented at the Twenty-Fourth Annual Conference, Institute of Public Utilities, Graduate School of Business, Michigan State University, "Shifting Boundaries between Regulation and Competition in Telecommunications and Energy"*, Williamsburg, VA, December 1992.

"Measurement of Telecommunications Productivity: Methods, Applications and Limitations" (with Françoise M. Clottes) *Presented at Organisation for Economic Cooperation and Development, Working Party on Telecommunication and Information Services Policies, '93 Conference "Defining Performance Indicators for Competitive Telecommunications Markets", Paris, France,* February 8-9, 1993.

"Telecommunications Investment and Economic Development: Achieving efficiency and balance among competing public policy and stakeholder interests" *Presented at the 105th Annual Convention and Regulatory Symposium, National Association of Regulatory Utility Commissioners, New York,* November 18, 1993.

"The Potential for Competition in the Market for Local Telephone Services" (with David N. Townsend and Paul S. Keller) *Presented at the Organization for Economic Cooperation and Development Workshop on Telecommunication Infrastructure Competition,* December 6-7, 1993.

"Market Failure in Open Telecommunications Networks: Defining the new natural monopoly," *Utilities Policy*, Vol. 4, No. 1, January 1994.

The Enduring Local Bottleneck: Monopoly Power and the Local Exchange Carriers, (with Susan M. Gately, et al) a report prepared by ETI and Hatfield Associates, Inc. for AT&T, MCI and CompTel, February 1994.

Commercially Feasible Resale of Local Telecommunications Services: An Essential Step in the Transition to Effective Local Competition, (Susan M. Gately, et al) a report prepared by ETI for AT&T, July 1995.

"Efficient Public Investment in Telecommunications Infrastructure" *Land Economics*, Vol 71, No.3, August 1995.

Funding Universal Service: Maximizing Penetration and Efficiency in a Competitive Local Service Environment, Lee L. Selwyn with Susan M. Baldwin, under the direction of Donald Shepheard, A Time Warner Communications Policy White Paper, September 1995.

Stranded Investment and the New Regulatory Bargain, Lee L. Selwyn with Susan M. Baldwin, under the direction of Donald Shepheard, A Time Warner Communications Policy White Paper, September 1995

"Market Failure in Open Telecommunications Networks: Defining the new natural monopoly," in *Networks, Infrastructure, and the New Task for Regulation*, by Werner Sichel and Donal L. Alexander, eds., University of Michigan Press, 1996.

Establishing Effective Local Exchange Competition: A Recommended Approach Based Upon an Analysis of the United States Experience, Lee L. Selwyn, paper prepared for the Canadian Cable Television Association and filed as evidence in Telecom Public Notice CRTC 95-96, Local Interconnection and Network Component, January 26, 1996.

The Cost of Universal Service, A Critical Assessment of the Benchmark Cost Model, Susan M. Baldwin with Lee L. Selwyn, a report prepared by Economics and Technology, Inc. on behalf of the National Cable Television Association and submitted with Comments in FCC Docket No. CC-96-45, April 1996.

Economic Considerations in the Evaluation of Alternative Digital Television Proposals, Lee L. Selwyn (as Economic Consultant), paper prepared for the Computer Industry Coalition on Advanced Television Service, filed with comments in FCC MM Docket No. 87-268, In the Matter of Advanced

Television Systems and Their Impact Upon the Existing Television Broadcast Service, July 11, 1996.

Assessing Incumbent LEC Claims to Special Revenue Recovery Mechanisms: Revenue opportunities, market assessments, and further empirical analysis of the "Gap" between embedded and forward-looking costs, Patricia D. Kravtin and Lee L. Selwyn, In the Matter of Access Charge Reform, in CC Docket No. 96-262, January 29, 1997.

The Use of Forward-Looking Economic Cost Proxy Models, Susan M. Baldwin and Lee L. Selwyn, Economics and Technology, Inc., February 1997.

The Effect of Internet Use On The Nation's Telephone Network, Lee L. Selwyn and Joseph W. Laszlo, a report prepared for the Internet Access Coalition, July 22, 1997.

Regulatory Treatment of ILEC Operations Support Systems Costs, Lee L. Selwyn, Economics and Technology, Inc., September 1997.

The "Connecticut Experience" with Telecommunications Competition: A Case in Getting it Wrong, Lee L. Selwyn, Helen E. Golding and Susan M. Gately, Economics and Technology, Inc., February 1998.

Where Have All The Numbers Gone?: Long-term Area Code Relief Policies and the Need for Short-term Reform, prepared by Economics and Technology, Inc. for the Ad Hoc Telecommunications Users Committee, International Communications Association, March 1998.

Broken Promises: A Review of Bell Atlantic-Pennsylvania's Performance Under Chapter 30, Lee L. Selwyn, Sonia N. Jorge and Patricia D. Kravtin, Economics and Technology, Inc., June 1998.

Building A Broadband America: The Competitive Keys to the Future of the Internet, Lee L. Selwyn, Patricia D. Kravtin and Scott A. Coleman, a report prepared for the Competitive Broadband Coalition, May 1999.

Bringing Broadband to Rural America: Investment and Innovation In the Wake of the Telecom Act, Lee L. Selwyn, Scott C. Lundquist and Scott A. Coleman, a report prepared for the Competitive Broadband Coalition, September 1999.

Dr. Selwyn has been an invited speaker at numerous seminars and conferences on telecommunications regulation and policy, including meetings and workshops sponsored by the National Telecommunications and Information Administration, the National Association of

Regulatory Utility Commissioners, the U.S. General Services Administration, the Institute of Public Utilities at Michigan State University, the National Regulatory Research Institute at Ohio State University, the Harvard University Program on Information Resources Policy, the Columbia University Institute for Tele-Information, the International Communications Association, the Tele-Communications Association, the Western Conference of Public Service Commissioners, at the New England, Mid-America, Southern and Western regional PUC/PSC conferences, as well as at numerous conferences and workshops sponsored by individual regulatory agencies.

Attachment 2

SBC Rejects Long Distance Service Orders Placed by Consumers who are not also SBC Local Service Customers

Data delayed 20 minutes. Provided by Shareholder.com

Stock Price 31.82 1.32

SBC Communications Inc.
Data Capabilities
Public Affairs
Community
Press Room
Careers
Investor Relations
Products/Services
International

SEARCH refine

Contact Us
Site Map
Glossary

In Depth}

- Networld + Interop: SBC announces new class of managed IP VPN and enhanced Web hosting services through its extended national data network
- Broadband Watch: The second annual *Business Broadband Watch* study of SBC's small business customers
- SBC Excelerator: A $25 million initiative to create digital connections with America's underserved
- SBC/EchoStar: Alliance to offer bundled DSL Internet, Digital Satellite Television

Headlines

SBC Offers New Class of Managed IP Virtual Private Network Services

SBC E-services Delivers Enhanced Managed Hosting Services Portfolio

SBC Receives Presidential Award for Corporate Leadership

SBC Calls New Senate Broadband Bill a Positive Step

Products}

SBC sells products and provides services online through its brand Web sites. Visit these sites to learn more about...

- Internet
- Long Distance
- Voice Communications
- e-Business

Our Brand Sites

- SBC Southwestern
- SBC Ameritech
- SBC Pacific
- SBC Nevada
- SBC SNET

Products/Services

Long Distance

SBC offers long distance service in the states listed below. Select residential or business, and your state, to view the long distance features available in your area:

Residential - select your state

- Arkansas
- Kansas
- Missouri
- Oklahoma
- Texas

Business - select your state

- Arkansas
- Kansas
- Missouri
- Oklahoma
- Texas

Home
My Account
Online Account Manager
Residential Products and Services
Business Products and Services
Repair
Billing and Account
Employment
About Southwestern Bell
Site Search
SEARCH
SMARTpages™
White and Yellow Pages
Site Map
FAQs
Contact Us

Residential Products and Services

Español

Texas

All Products and Services | Money Savers | Long Distance | Phone Service Enhancements | Improving Internet Access | Phone Equipment | Lines, Wiring and Jacks

MY PRODUCTS AND SERVICES | GET RECOMMENDATIONS

Long Distance Calling Plans

Long Distance Domestic Calling Plans - compare these plans

SBC Domestic Saver℠	ORDER NOW
SBC Domestic Saver Gold℠	ORDER NOW
SBC Long Distance	ORDER NOW
SBC Block of Time: 300 minutes	ORDER NOW
SBC Block of Time: 500 minutes	ORDER NOW
SBC 500 Block of Time Gold	ORDER NOW

Long Distance International Calling Plans - compare these plans

International Saver℠	ORDER NOW
International SuperSaver℠	ORDER NOW
SuperMexico 60℠	CALL TO ORDER
SuperMexico 180℠	CALL TO ORDER

Southwestern Bell

Home
My Account
Online Account Manager
Residential Products and Services
Business Products and Services
Repair
Billing and Account
Employment
About Southwestern Bell

Site Search

SEARCH

SMARTpages™
White and Yellow Pages
Site Map
FAQs
Contact Us

Enter Sweepstakes
Also, sign up for news, tips and promotions.
Enter Email Address
GO

Residential Products and Services

Español

Texas

All Products and Services | Money Savers | Long Distance | Phone Service Enhancements | Improving Internet Access | Phone Equipment | Lines, Wiring and Jacks

Long Distance Calling Plans: SBC Block of Time: 300 minutes

CONTINUE SHOPPING

GET RECOMMENDATIONS

SBC Block of Time: 300 minutes

ORDER NOW

Order SBC Block of Time: 300 minutes from SBC Long Distance and receive a coupon redeemable for a $18.00 check. Offer available to *new SBC Southwestern Bell Long Distance customers May 6, 2002 through August 4, 2002.

Call from home to anyone, anytime, anywhere. 300 minutes of domestic, direct dialed calls for one low monthly rate.

Features
Pricing
International Calling Plans
Service and Support
FAQs

Features

- Get up to 300 domestic minutes of direct dialed calls from home to anywhere in-state and/or out-of-state, anytime.
- Fixed charge each month makes it easy to budget.
- You'll have just one bill to pay each month for your local and long distance service.
- Please view our Long Distance International Dialing Guide.

You will need Adobe Acrobat Reader to view the Long Distance International Dialing Guide.

Pricing

- $18.00 per month.
- Excess minutes at a low flat rate of 6 cents each minute.

- Other charges apply when using a pay phone or operator assistance.
- Calling card calls are not included in 300 minute block of time.
- Other charges apply when using a payphone or operator assistance.
- Please view our complete summary of long distance calling card per call charges.
- Please view our complete summary of alternate billed services call charges.

International Calling Plans
If you make International Calls, look here for information regarding our great International Calling Plans.

Service and Support

Call 1-800-227-5574 Monday through Thursday 8 am to 8 pm, Friday and Saturday 8 am to 6 pm.

*New SBC Long Distance subscribers will receive a coupon redeemable for a $18 check. By placing an order for this promotion, customer verifies they are a new SBC Southwestern Bell Long Distance customer. Instructions on coupon completion and submission will be provided with the coupon. The coupon must be filled out and submitted to SBC Long Distance in order to receive the check. The $18 check will be mailed out within 2 – 3 weeks following receipt of the coupon.

Note: SBC Long Distance provides long distance where arrangements exist with local providers in the SBC Southwestern Bell Telephone Company service area. Availability, rates and conditions subject to change. SBC and Southwestern Bell are registered trademarks of SBC Communications Inc.

CONTINUE SHOPPING ORDER NOW

SBC Southwestern Bell

Authentication

Enter either your User ID and password OR enter your main telephone number.

User ID:

Password:

Forgot your User ID and/or Password?

-- Or --

Your main telephone number: 972 - 252 - 9970

CONTINUE CANCEL I AM NOT A SOUTHWESTERN BELL CUSTOMER

Call To Order

Thank you for visiting our web site, however we are unable to process your order to purchase Southwestern Bell services or telephone equipment online. Your shopping cart will be emptied. Please contact us at 1-800-310-BELL (2355).

CONTINUE

Attachment 3

United States Postal Service
"Mover's Guide"
Identifying only BOCs as
Local Telephone Service Providers

May–August 2001
Pub. 75 Vol. 22

UNITED STATES
POSTAL SERVICE®

Mover's Guide

Keep this guide and use it throughout your move!

It's full of helpful tips, facts, phone numbers and Web sites for all types of moving situations.

Make sure your mail moves with you—fill out the enclosed Address Notification Cards and send them today!

Printed at no expense to the
U.S. Postal Service or its customers

Helpful Tips for an Easier Move

Valuable strategies for moving your stuff, your kids, your pets and yourself to your new home

Do your homework Before you hire a moving company, the United States Department of Transportation recommends the following:

- Get written estimates from at least three companies. Ask about the conditions of each estimate (for example, whether the final cost is guaranteed not to exceed the estimate by a certain amount).
- Ask for each company's motor carrier number and call USDOT at 202-358-7000 to verify that they are properly registered and insured.
- Ask your moving company for a copy of *Your Mover's Rights and Responsibilities*.
- Visit the USDOT Web site: *www.fmcsa.dot.gov/factsfigs/moving.htm*
  United States Department of Transportation

On moving day

- Accompany the driver as he or she inspects your items and fills out your inventory. Make sure everything is on the truck before signing any releases.
- At your new home, compare the condition of your goods against the inventory and check for any missing items.

Involve your kids

- Have your children pack and label a few boxes of their own, so they know their favorite stuff won't be left behind.
- Help your children learn about their new town. Visit your local library or bookstore to find books about the area you're moving to.

How can you make moving fun for kids?
Go to *www.usps.com/moversnet* for ideas.

Take care of your pet

- Pack a "pet moving kit" with food, medications, medical records and your vet's phone number.
- Be sure your cat or dog is wearing an ID tag, in case he or she gets loose.
- If you're traveling a long distance, check ahead to see that your flights, accommodations and so on are pet friendly.

Get tips on moving dogs, fish, even snakes at *www.usps.com/moversnet*

How to stay connected when you move If possible, call your new local phone company a month before you move and ask for your new number. Here are some local phone service options:*

- For moves to AL, FL, GA, KY, LA, MS, NC, SC and TN: Call BellSouth at 1-877-340-7576.
- For moves to AZ, CO, IA, ID, MN, MT, ND, NE, NM, OR, SD, UT, WA and WY: Call directory assistance for the Qwest office in your new area.
- For moves to DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT and WV: Call directory assistance for the Verizon office in your new area.
- For moves to other states, call directory assistance for the phone numbers of local phone companies in your new area. Remember to check on local cellular companies, too.

* *Service providers may be different in some areas.*

How to stay connected with long distance when you move

- Once you know your new phone number, the next step is choosing a long distance carrier. Your local phone company will not transfer your present long distance savings plan and other services (like calling cards) automatically.
- You'll need to call the different carriers yourself to ensure the best rates, calling and savings plans, and uninterrupted service. This is a good opportunity to find out which carriers offer the best rates for your new location and long-distance needs.
- If you switch long-distance carriers, you may be charged a small, one-time fee—so be sure to ask your new carrier if they'll reimburse you or credit your new account.